

mended for these purposes are needed to provide new construction to meet the increased needs of the State.

I earnestly urge the General Assembly that the foregoing recommendations be enacted into law, in order that North Carolina may continue to progress and to provide the necessary services to the people of our State.

I further recommend that the General Assembly appropriate an amount out of the surplus of the general fund sufficient to provide for the retirement of all general fund bonds and interest as they mature from time to time. I propose that this amount shall be set aside in the general fund bond sinking fund of 1945 and that these funds, together with the funds now in the present general fund sinking funds, shall be used for no other purpose than to retire the general fund bonds and interest.

It is noted that my predecessor, the Director of the Budget and the Advisory Budget Commission have carefully considered the needs of the various State Institutions for permanent improvement expansion and have recommended that since it is impossible to construct any buildings or to secure any major equipment items under present war conditions, that no appropriations for permanent improvements be made. It is understood that there is a great need at the Caswell Training School for a program of building expansion in order to adequately take care of the large number of feeble minded boys and girls of the State who can not now be admitted and the Report recommends that these facilities be provided according to need as soon as conditions are such that buildings may be erected. A like situation prevails with reference to needed expansions at the hospitals for the insane.

I agree with the opinion expressed in the Budget by my predecessor in office and the Advisory Budget Commission, that conditions are not favorable to building programs to be undertaken at this time when the Nation is struggling to maintain our existence as a free people. I recommend to you that no permanent improvement appropriations be made for the enlargement of the State Institutions or the Departments of the State unless it should be found that conditions have materially changed before this General Assembly adjourns. It is my opinion that if after the General Assembly adjourns, manpower and materials become available and the Federal Government provides an aid program after the war emergency needs have been met, the General Assembly could be called into Special Session to make the necessary arrangements to enlarge the Caswell Training School and the facilities at the Hospitals for the Insane.

The Budget Report also refers to the recommendations of the State Hospital and Medical Care Commission. I have considered this matter at some length but I am not yet in a position to make a recommendation in the matter and therefore reserve the right to send you a Special Message at a later date.

The economic conditions that may reasonably be expected to prevail in this State and Nation as soon as war is ended would indicate that the revenues of the general fund of the State may be expected to